

MEMORANDUM

TO: Representative Mark Larson, Chair, House Committee on Health Care
Representative Ann Pugh, Chair, House Committee on Human Services
Senator Claire Ayer, Chair, Senate Committee on Health & Welfare

FROM: Hunt Blair, Director, Division of Health Care Reform

DATE: January 13, 2011

RE: Report on Hospital-sited Primary Care Clinics Challenges for Change Initiative

Section C32 of Act 146 of 2010, the legislation implementing the Challenges for Change initiatives, includes a short section asking the Department to explore development of hospital-sited primary care clinics that would help to divert patients with non-emergency level of care needs from hospital Emergency Departments (ED) to primary care sites located on or near the hospital campus.

Sec. C32. EXPANSION OF HEALTH CLINICS; FQHCS

The department of Vermont health access shall collaborate with the federally qualified health centers and other interested parties to create urgent care clinics to ensure that nonemergency health services are available outside emergency departments in hospitals, especially during evenings and weekends. The department may apply or may assist the FQHCs in applying for federal grants funds available for clinics, including nurse-managed health clinics. By January 15, 2011, the department shall provide a progress report on this initiative, with any recommendations, to the house committees on health care and on human services and the senate committee on health and welfare.

The anticipated benefit of this initiative would be to reduce overall costs to the health care system by helping to ensure that patients seeking primary care through EDs have access to alternative, less costly settings. There was not a state expenditure savings target associated with this Challenge initiative, because Vermont Medicaid does not typically pay for non-emergency level services delivered in an ED and because other Challenge initiatives focus on reducing inappropriate utilization of hospital EDs by Medicaid beneficiaries.

Unfortunately, the timing of this initiative as it relates to Federally Qualified Health Center (FQHC) expansion in the state was less than propitious. No testimony was taken prior to inclusion of the initiative in the Challenges legislation, but DVHA's targeted partners in the initiative, the state's community health centers, already had planning well underway for an array of expansion efforts.

2010 was a banner year for increased funding of the FQHC program (\$11 billion over five years) in the Affordable Care Act (ACA), following on the heels of significantly increased funding (\$2 billion) through the American Recovery and Reinvestment Act (ARRA) in 2009. Indeed, thanks in large measure to the advocacy of Vermont Senator Bernie Sanders for provisions included in both of the bills, there has never been a time when more federal resources were available to expand FQHCs.

This has proven to be of substantial benefit for existing Vermont FQHCs seeking “satellite expansions” and communities aspiring to develop “new start” health centers, as well a bringing in funding for capital expenditures on new or renovated facilities. Vermont FQHCs have received a total of \$25 million in program and construction funding since passage of ARRA.

In addition, seven applications for additional FQHC development were submitted in December 2010. These include:

- A community group in Bristol that is seeking to convert an independent family practice into an FQHC, serving northeastern Addison County.
- A community group in Arlington seeking to convert an existing Rural Health Clinic into an FQHC, serving northern Bennington County.
- Gifford Hospital, which is submitting an application to convert its primary care practices into the FQHC model, serving primarily Orange County. Gifford is using this New Access Point funding opportunity as a learning experience.
- The Northern Tier Center for Health (NoTCH) is submitting an application to establish a new satellite site in Fairfax, to serve southern Franklin County.
- Community Health Center of Burlington (CHCB) is proposing to convert a Rural Health Clinic in South Hero into an FQHC satellite site, to serve southern Grand Isle County.
- Northern Counties Health Care (NCHC) is applying to convert a Rural Health Clinic currently owned and operated by North Country Hospital, into a satellite site of the FQHC.
- Community Health Centers of the Rutland Region (CHCRR) is seeking to establish a new satellite site in Shoreham, to serve southern Addison County.

Planning for all of these projects pre-dated Act 146, and given the work done by the health centers to develop the applications and the intense work required to prepare the 200 page proposals to the federal Health Resources and Services Administration (HRSA), Bureau of Primary Health Care (BPHC), it was not practical for Vermont FQHCs to shift their focus to hospital-sited clinics over the past six months.

DVHA has conducted an assessment of the environment from the hospital perspective (see Table on page 3). Five of the 13 community hospitals currently operate a walk-in or urgent care clinic, in most cases located adjacent to their Emergency Departments, which serve as diversion points for the ED, but none operate a full service primary care clinic on the hospital campus. The model that comes closest to that, while not located on the hospital campus, is the new FQHC location being developed in downtown Springfield that will actively seek patients who would otherwise utilize the hospital ED.

Senator Sanders has requested that the Government Accountability Office (GAO) compile an inventory of models from around the country that currently exist where FQHCs play a role in ED diversion. The report is due in the spring, when the Senator plans to hold hearings, and his staff indicates that the Senator would be interested in convening Vermont hospital and health center stakeholders to discuss how the models iterated in the GAO report might be replicated in Vermont.

The Department will ensure copies of the GAO report are made available to your committees and can provide an update on the outcome of the stakeholder meeting. Those steps may be adequate; it may be that no further action is required by the legislature or the administration to move this initiative forward.

Vermont Hospitals with Walk-in or Urgent Care Facilities:

Hospital Name	Location	Walk-in or Urgent Care Center?
Brattleboro Memorial Hospital	Brattleboro	No
Central Vermont Medical Center	Berlin	Yes
Copley Hospital	Morrisville	No
Fletcher Allen Health Care	Burlington	Yes – at Fanny Allen campus
Gifford Medical Center	Randolph	No
Grace Cottage Hospital	Townshend	No
Mt. Ascutney Hospital & Health Center	Windsor	No
North Country Hospital	Newport	No
Northeastern Vermont Regional Hospital	St. Johnsbury	Yes
Northwestern Medical Center	St. Albans	Yes
Porter Medical Center	Middlebury	No
Rutland Regional Medical Center	Rutland	Yes
Southwestern Vermont Health Care	Bennington	No